

# Regional Transport Committee

## NOTICE IS GIVEN

that an **Extraordinary Regional Transport Committee Meeting** will be held in **Mauao Room 2, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga** on:

---

**Tuesday, 24 April 2018 commencing at 1.00 pm**

---

Mary-Anne Macleod  
Chief Executive  
17 April 2018





# Regional Transport Committee

## Terms of Reference

### Delegated Function

Section 105(1) of the Land Transport Management Act 2003 requires every regional council to establish a Regional Transport Committee for its region.

### Membership

Each regional council must appoint to its regional transport committee:

- Two persons to represent the regional council;
- One person from each territorial authority in the region to represent that territorial authority; and
- One person to represent the New Zealand Transport Agency.

Each regional council must appoint from its representatives the chair and deputy chair of the committee.

At any meeting of a regional transport committee, the chair, or any other person presiding the meeting:

- Has a deliberative vote; and
- In the case of an equality of votes, does not have a casting vote (and therefore the act or question is defeated and the status quo is preserved).

### Quorum

In accordance with Council standing order 10.2, the quorum at a meeting of the committee is five, consisting of the majority of the number of members.

### Term of the Committee

Under section 105(1) of the Land Transport Management Act 2003, every regional council must establish a regional transport committee as soon as practicable after each triennial election.

### Meeting frequency

Quarterly.

### Specific Responsibilities and Delegated Authority

- To prepare a regional land transport plan, or any significant variation to the plan, for the approval of the Regional Council.
- To approve any non-significant variation to the regional land transport plan.
- To adopt a policy that determines significance in respect of:

- variations made to regional land transport plans under section 18D of the Land Transport Management Act 2003; and
  - the activities that are included in the regional land transport plan under section 16 of the Land Transport Management Act 2003.
- To provide the Regional Council with any advice and assistance the Regional Council may request in relation to its transport responsibilities.
  - To approve submissions to central government, local authorities and other agencies on Regional Transport Committee matters.
  - To approve the regional Road Safety Action Plan.

## Procedure of the Committee

The Regional Transport Committee may appoint external advisors to assist it in the exercise of its specific responsibilities and delegated authority. For the purposes of clarity, external advisors may be given full speaking rights at the discretion of the Committee, but are not entitled to vote on Committee matters.

The provisions of the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987 concerning the meetings of committees of regional councils, so far as they are applicable and with the necessary modifications, apply in respect of meetings of the Regional Transport Committee.

### **Note:**

- The Regional Transport Committee does not have any financial delegation.
- Under the Local Government Act 2002 the Regional Transport Committee is not defined as a joint committee.
- The Regional Transport Committee reports directly to the Regional Council.
- The New Zealand Transport Agency (appointed member) can nominate an alternative representative to attend Regional Transport Committee meetings, as resolved by the Regional Council.

## Public Forum

1. A period of up to 15 minutes may be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
  - name of participant;
  - organisation represented (if any);
  - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.



# Membership

<b>Chairperson:</b>	S Crosby (Bay of Plenty Regional Council)
<b>Deputy Chairperson:</b>	J Nees (Bay of Plenty Regional Council)
<b>Appointees:</b>	<b>Bay of Plenty Regional Council</b> Councillor L Thurston (Alternate) <b>Kawerau District Council</b> Mayor M Campbell, Councillor B Julian (Alternate) <b>Opotiki District Council</b> Mayor J Forbes, Councillor K Young (Alternate) <b>Rotorua Lakes Council</b> Mayor S Chadwick, Deputy Mayor D Donaldson (Alternate) <b>Whakatane District Council</b> Mayor A Bonne, Councillor A Iles (Alternate) <b>New Zealand Transport Agency</b> P McLean (Regional Director Waikato/BOP), A Talbot (Alternate) <b>Tauranga City Council</b> Councillor R Curach, Councillor T Molloy (Alternate) <b>Western Bay of Plenty District Council</b> Councillor D Thwaites, Councillor J Palmer (Alternate)
<b>Attendees:</b>	Inspector B Crowe (Road Safety Advisor, BOP District Police), J Galbraith, D Kneebone (Port Advisor/Property & Infrastructure Manager, Port of Tauranga)
<b>Committee Advisor:</b>	S Kameta

---

Recommendations in reports are not to be construed as policy until adopted.

## Agenda

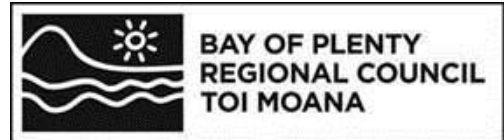
- 1 Apologies**
- 2 Public Forum**
- 3 Acceptance of Late Items**
- 4 General Business**
- 5 Confidential Business to be transferred in open**

<b>6</b>	<b>Declarations of Conflicts of Interests</b>	
<b>7</b>	<b>Reports</b>	
<b>7.1</b>	<b>Government Policy Statement on Land Transport</b>	<b>11</b>
	APPENDIX 1 - GPS at a Glance	19
	APPENDIX 2 - Draft Government Policy Statement Questions and Answers	23
	APPENDIX 3 - Submission on the Government Policy Statement on Land Transport for 2018	41
	APPENDIX 4 - Summary of Local Government Road Safety Summit	53
<b>7.2</b>	<b>Regional Fuel Tax</b>	<b>57</b>
	APPENDIX 1 - BoPRC RTC Submission on Regional Fuel Tax	59
	APPENDIX 2 - 2018-03-01 Ministry of Transport Regional Fuel Tax Questions and Answers - March 2018	67
<b>7.3</b>	<b>KiwiRail Becoming an Approved Public Organisation</b>	<b>71</b>
	APPENDIX 1 - 2018-04-05 Consultation on KiwiRail becoming an approved public organisation	73
	APPENDIX 2 - Submission on Kiwirail becoming an approved public organisation	77
<b>8</b>	<b>Consideration of General Business</b>	



# Reports





**Report To:** Regional Transport Committee

**Meeting Date:** 24 April 2018

**Report From:** Fiona McTavish, General Manager, Strategy & Science

---

## **Government Policy Statement on Land Transport**

---

### **Executive Summary**

The Ministry of Transport has recently released the Government Policy Statement on Land Transport for 2018/19 to 2027/28 (GPS). Submissions on the GPS have been invited and close on 2 May 2018.

Appended to this report is a draft submission for the Regional Transport Committee's (RTC) consideration.

One of the key messages in the draft submission is that in order to meet NZ transport Agency National Land Transport Programme timeframes, the region consulted on its draft Regional Land Transport Plan (and hearings have been held), prior to the release of the draft GPS.

While there is good alignment throughout both documents, the region's highest priority improvement activities include State highway improvement projects that may be deferred or cancelled due to the reprioritisation of funding through the new GPS.

The submission advises that the Regional Transport Committee is particularly concerned that the Tauranga Northern Link (TNL) may not proceed and is seeking that investment in the project be prioritised.

### **Recommendations**

**That the Regional Transport Committee under its delegated authority:**

- 1 Receives the report, Government Policy Statement on Land Transport.**
- 2 Approves the appended submission on the Draft Government Policy Statement on Land Transport for 2018/19 to 2027/28, subject to any amendments arising from the meeting.**

#### **1 Introduction**

The Ministry of Transport has recently released the GPS on Land Transport for 2018/19 to 2027/28. Submissions on GPS have been invited and close on 2 May

2018. Committee members may recall a similar process in March 2017 when the previous Government released its GPS for consultation.

The GPS can be accessed through the following link:

<https://www.transport.govt.nz/assets/Uploads/Our-Work/Documents/Draft-GPS-2018.pdf>

Appended to this report is:

- GPS at a Glance;
- GPS Questions and Answers; and
- a draft submission for the Committee's consideration.

## **2 Government Policy Statement on Land Transport**

The purpose of the GPS is to set out the Government's strategic priorities, objectives and results from the allocation of the National Land Transport Fund (NLTF).

The GPS also provides broad direction on where investment should be directed by determining how much funding is allocated between different activity classes such as road policing, State highways, local roads, public transport and walking and cycling.

The GPS is critical for planning and funding land transport in the region because:

- the National Land Transport Programme must give effect to the GPS; and
- the Regional Land Transport Plan must be consistent with the GPS.

### **2.1 Timing and TNL**

The draft submission notes that we have completed drafting our Regional Land Transport Plan (RLTP). The GPS is a critical input into the RLTP and our RLTP must be consistent with the GPS.

To meet NZ transport Agency timeframes, the draft RLTP has been consulted upon and hearings have been held. The RLTP 2018 - 2028 cannot be substantively amended at this late stage if it is mis-aligned with the GPS.

There is good alignment throughout both documents, however the region's highest priority improvement activities include State highway improvement projects that may be deferred or cancelled due to the reprioritisation of funding through the new GPS.

The submission advises that the RTC is particularly concerned that the TNL may not proceed and is seeking that investment in the project be prioritised.

The TNL provides a critical safety and access function as one of the main access points into Tauranga and to the Port of Tauranga, both locally and from Auckland and Waikato. There are approximately 18,500 vehicles travelling across the Wairoa River bridge every day. The population served by the highway is growing.

## **3 The GPS Strategic Direction**

The four strategic priorities which set the ten-year view for the draft GPS to drive improved performance from the land transport system are:

- Safety
- Access
- Environment
- Value for money

The draft Bay of Plenty Regional Land Transport Plan objectives and problem statements align well with the GPS strategic priorities. The RLTP recognises the region has some significant challenges in terms of safety, access and environmental issues.

### 3.1 Safety

On 9 April 2018, the Associate Transport Minister Julie Anne Genter, hosted a Local Government Road Safety Summit in Wellington. Due to its bearing on the GPS, also appended for member's information, are some brief notes of the Summit prepared by staff of the Waikato Regional Council.

The draft submission supports the priority given to achieving a significant reduction in the number of deaths and serious injuries on the transport network. In 2017 the total social cost of deaths and serious injuries amounted to \$283 million.

### 3.2 Access

The draft submission supports the access strategic priority which prioritises the ability of people and goods to access opportunities and markets. The draft RLTP access and resilience objectives are consistent with the draft GPS.

### 3.3 Environment

The third strategic priority in the draft GPS is environment. The objective of this outcome is a land transport system that reduces the adverse effects on the climate, local environment and public health. The results sought are to reduce transport's negative effects:

- on the global climate; and
- the local environment and public health.

The issues highlighted in the GPS are also identified in the RLTP. The submission seeks to retain the environment strategic priority and supports the aspiration to ensure the land transport system enables better environmental outcomes and reduces greenhouse gas emissions.

### 3.4 Value for money

The draft GPS increases the emphasis on value for money to maximise the impact of the money spent to achieve the Government's outcomes. The objective of this strategic priority is a land transport system that delivers the right infrastructure and services to the right level at the best cost. The results sought are better informed investment decision-making and improved returns from maintenance.

The draft RLTP includes the following objective "investment in the transport system maximises use of available resources and achieves value for money".

## 4 GPS Themes

The three themes of the GPS are:

- a mode neutral approach to transport planning and investment decisions;
- incorporating technology and innovation into the design and deliver of land transport investment; and
- Integrating land use and transport planning and delivery.

### 4.1 Mode Neutral

The government has signalled it intends to explore how rail investment can be incorporated into the GPS and National Land Transport Fund (NLTF) as a means of introducing mode neutrality into transport planning and enabling rail projects to be eligible for funding. Several strategic rail projects have previously been raised in the Bay of Plenty that are relevant to the Government's stated intentions.

The submission supports introducing a mode neutral approach to transport planning and investment decisions.

### 4.2 Technology and Innovation

The draft GPS recognises that technology is changing many aspects of our life including the way we travel and how freight and services are moved on our network. The draft RLTP also recognises technology as something with potential to impact on the region in the future.

Technology has been mooted as having the potential to reduce or remove congestion and greatly improve the efficiency and safety of the transport network. While it remains difficult to determine when and what impact technology will have, there is still sense in improving the land transport system as it is.

The submission supports continuing to build momentum to improve the land transport system rather than taking a wait and see approach regarding technology.

### 4.3 Integration

Land use planning has a significant impact on transport policy, infrastructure and service provision and vice versa. Integrated planning is taking place at several different scales in the Bay of Plenty, as demonstrated below:

Scale	Examples	Theme
Pan-regional	UNISA Freight Story	Freight
Regional	Regional Land Transport Plan	Transport and land use
Sub-regional	SmartGrowth	Spatial
	Rotorua Spatial Plan	Spatial
	Eastern Bay of Plenty Spatial Plan	Spatial
Corridor/network	Tauranga Transport Strategy	Transport and land use
	Rotorua Integrated Network Strategy	Transport and land use
	State Highway 1/29 - ECMT Line Working Group	Transport and land use

Table 1: Integrated planning examples from the Bay of Plenty (pg48 RLTP)

The submission supports central government’s role in improving the visibility of planning and infrastructure intentions, facilitating engagement and enabling joint funding and decision making.

## 5 Total Funding for GPS 2018

Funding from the NLTF is allocated through the GPS to help achieve the Government’s priorities for land transport. The revenue for the fund is projected to increase from around \$3.7 billion in 2018/19 to \$4.7 billion in 2027/28 based on forecast levels of fuel excise and road user charge rates. The government has signalled an increase in fuel excise duty and road user charges to deliver its new transport priorities.

Table 1 shows the total expenditure target (the expected levels of expenditure based on projected revenue for the first six years of the GPS). Actual expenditure will vary with actual revenue collected in the fund.

	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m
Expenditure target	3,950	4,250	4,450	4,500	4,550	4,600
Maximum expenditure	4,050	4,350	4,600	4,650	4,700	4,800
Minimum expenditure	3,850	4,100	4,300	4,350	4,400	4,400

Table 2: National Land Transport Programme Funding Ranges

## 6 Activity Class Framework

The GPS uses activity classes to provide direction to the NZ Transport Agency on funding allocations for types of investment. Each activity class is given a higher and lower band with the actual funding allocated sitting between the higher and lower band.

The GPS allocates funding ranges to 12 activity classes. These activity classes are:

- Public transport
- Rapid transit (new)
- Walking and cycling improvements

- Local road improvements
- Regional Improvements
- State highway improvements
- Road policing
- Road safety promotion and demand management
- State highway maintenance
- Local road maintenance
- Investment management
- Transitional rail (new)

### 6.1 Public transport

Over the ten years of the GPS, investment in public transport services is forecast to increase by just under 40%. In 2018/19 the allocation is between \$380m to \$530m.

The submission recommends the GPS includes objectives and policies that support the prioritisation of investment in bus priority and other supporting infrastructure in urban areas.

### 6.2 Rapid Transit Activity Class

The GPS introduces a new activity class for investment in rapid transit improvements. This activity class has an initial focus on Auckland.

### 6.3 Walking and Cycling Activity Class

Over the ten years of the GPS, investment in the walking and cycling activity class is forecast to increase by approximately 20%. In 2018/19 the allocation is between \$40m and \$95m; an increase from \$15m to \$55m in 2016/17.

The submission recommends the GPS includes objectives and policies that support the prioritisation of investment in walking and cycling and other supporting infrastructure in urban areas.

### 6.4 Local Road Improvement Activity Class

Investment in the local road improvement activity class is forecast to increase by approximately 50%. In 2018/19 the allocation is between \$90m to \$230m. In comparison, the range in GPS 2015 was from \$155m to \$240m in 2016/17.

The submission suggests that this activity class should prioritise and support investment in walking, cycling and public transport infrastructure. Policies and objectives could be included in the GPS to encourage a multi-modal approach to local road improvements.

### 6.5 Regional Improvements Activity Class

Investment in the regional improvements activity class is forecast to increase by approximately 35%. In 2018/19 the allocation is between \$50 and \$140m, compared to the range in GPS 2015 of \$60m to \$90m.



This activity class provides investment to the transport levels of service outside of major metropolitan areas, to support regional economic development.

The submission recommends the GPS retain the increased investment in regional improvements.

#### **6.6 State Highway Improvements Activity Class**

Investment in the State highway improvements activity class is forecast to decrease substantially. In 2018/19 the allocation is between \$1,200m to \$1,550m. By 2027/28 the range is forecast at \$350 to \$500m. The activity class invests in improving the capacity or level of service on State highways (either existing or new).

The GPS proposes to reduce state highway funding to \$3.85 billion for the next three years compared with \$4.35 billion in the current 2015 - 2018 NLTP. The reduction in funding for State highway improvements is likely to have a significant impact on the region with over half of the Bay of Plenty's highest priority improvement areas sitting within this activity class.

The submission seeks an assurance that the region's prioritised State highway projects will proceed without delay, particularly the TNL.

#### **6.7 Road Policing Activity Class**

Investment in the road policing improvements activity class is forecast to increase by 16%. In 2018/19 the allocation is between \$320m to \$360m, compared to the range in GPS 2015 of \$290m to \$330m.

The submission supports the increased investment in road policing.

#### **6.8 Road Safety Promotion and Demand Management Activity Class**

Investment in the road safety promotion and demand management improvements activity class is forecast to increase by 50%. In 2018/19 the allocation is between \$45m to \$55m, compared to GPS 2015, which had a range of \$30m to \$37m.

The activity class was previously road safety promotion and invested in promotion, education and advertising activities to promote the safe use of the land transport network. The new definition of the activity class seems to be at odds with the activity class title of promotion as it appears it does not cover demand management.

#### **6.9 State Highway Maintenance Activity Class**

Investment in the State highway maintenance improvements activity class is forecast to increase by 18%. In 2018/19 the allocation is between \$600m to \$700m - an increase from \$445m - \$585m in 2017/18.

The submission supports increased investment in State highway maintenance.

#### **6.10 Local Road Maintenance Activity Class**

Investment in the local road maintenance activity class is forecast to increase by 14%. In 2018/19 the allocation is between \$610m to \$720m - an increase from \$405m - \$565m in 2017/18.

The draft submission supports an increased investment in local road maintenance.

#### **6.11 Investment Management Activity Class**

Investment in the investment management activity class is forecast to increase by 6 - 13%. In 2018/19 the allocation is between \$65m - \$80m - an increase from \$53m - \$59m in 2017/18. The investment management activity class covers investment in transport planning, research and funding allocation management.

#### **6.12 Transitional Rail Activity Class (new)**

The new transitional rail activity class will support urban and inter-regional rail services that assist passengers to access major employment and housing areas. In 2018/19 the allocation is between \$20m - \$55m.

The RLTP supports the introduction of the transitional rail activity class. It states that investment in the rail network should focus on supporting the inter and intra-regional movement of products to and from the Port of Tauranga to ensure there is sufficient capacity to meet projected freight demand increases, the potential re-introduction of inter-regional passenger rail services, and possible changes in the pattern of demand resulting from the introduction of larger ships.

## **7 Council's Accountability Framework**

### **7.1 Community Outcomes**

This item directly contributes to the Regional Collaboration and Leadership and Economic Development Community Outcomes in the Regional Council's Long Term Plan 2015-2025.

### **7.2 Long Term Plan Alignment**

This work is planned under the Transport Planning Activity in the Long Term Plan 2015-2025.

#### **Current Budget Implications**

There are no current financial implications for Council arising from the decision to lodge a submission.

#### **Future Budget Implications**

There are no future financial implications for Council arising from the decision to lodge a submission.

Garry Maloney  
**Transport Policy Manager**

**for General Manager, Strategy & Science**

**17 April 2018**

# **APPENDIX 1**

## **GPS at a Glance**



# The draft GPS 2018 at a glance...

## Why do we need a GPS?

The Government Policy Statement on land transport (GPS) 2018 helps guide investment in transport by providing a longer term strategic view of how we prioritise things in the transport network, and why.

Funding from the National Land Transport Fund (the Fund) is allocated through the GPS to help achieve the Government's priorities for land transport.

The revenue for the Fund is projected to increase from around \$3.7 billion in 2018/19 to \$4.2 billion in 2027/28 based on forecast levels of fuel excise and road user charge rates. The Fund is supplemented by about \$1.5 billion a year of local government transport funding in the form of a local share.

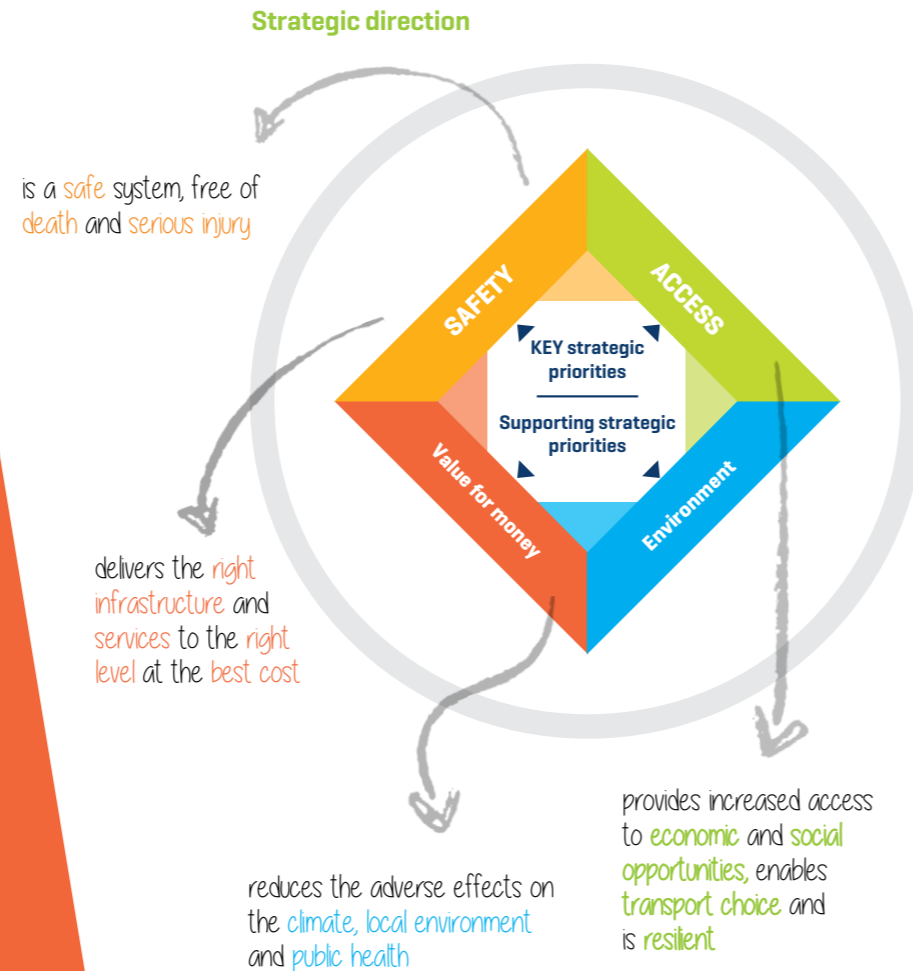
While the GPS provides a national picture of land transport funding, the specific detail of how funding is invested is the responsibility of the NZ Transport Agency. The NZ Transport Agency's investment in the land transport system is implemented through the Fund. The Fund is the main central government funding source for the land transport system.



HAVE YOUR SAY BY 2 MAY.  
VIEW THE GPS IN DETAIL AND SHARE YOUR THOUGHTS ON THIS DRAFT POLICY ONLINE AT:  
[WWW.TRANSPORT.GOVT.NZ/GPS2018](http://WWW.TRANSPORT.GOVT.NZ/GPS2018)

## Where we're at

This GPS is one step towards this Government's vision for the land transport system.



A draft GPS 2018 has been released and it transforms the focus of investment for land transport.

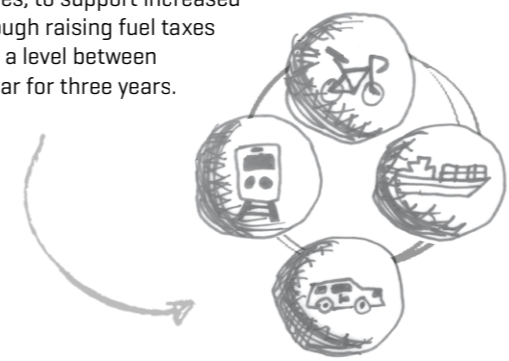
There are new strategic priorities, and amended objectives and themes – demonstrating our commitment to safety, mode neutrality, liveable cities, regional economic development, protecting the environment, and delivering the best possible value for money.

## Funding

The draft GPS 2018 allocates funding ranges to 12 activity classes. The funds for each class are proposed to:

- |                                     |  |
|-------------------------------------|--|
| ⬆️ Public transport                 | ⬆️ Road safety promotion and demand management |
| ⬆️ Walking and cycling improvements | ⬆️ Investment management                       |
| ⬆️ Local road improvements          | ⬆️ State highway maintenance                   |
| ⬆️ Regional improvements            | ⬆️ Local road maintenance                      |
| ⬇️ State highway improvements       | ○ Rapid transit (new activity class)           |
| ⬆️ Road policing                    | ○ Transitional rail (new activity class)       |

Revenue increases, to support increased investment, through raising fuel taxes are proposed, at a level between 3-4 cents per year for three years.



## Themes

Themes have been included in the GPS to assist understanding of how to effectively deliver on the priorities. The themes influence how the results should be delivered to ensure the best transport solutions for New Zealand are achieved.

The themes for GPS 2018 are:

- a mode-neutral approach to transport planning and investment decisions
- incorporating technology and innovation into the design and delivery of land transport investment
- integrating land use and transport planning and delivery

## What's next

A second stage GPS.

A second stage GPS is likely to be required in order to fully realise Government direction for transport investment. Inclusion of some things in this GPS has not been possible given the time constraints. This is because they rely on other work such as a review of rail, development of a new road safety strategy, and any future recommendations and targets produced by the independent Climate Change Commission.

We hope to release this in 2019 and will work with the broader transport sector to develop it.



## **APPENDIX 2**

# **Draft Government Policy Statement Questions and Answers**





# Government Policy Statement on land transport (GPS) 2018 Questions and Answers

---

## **What is the GPS?**

While the term GPS might be more familiar when talking about global positioning, in the transport sector it's more commonly used to refer to the Government Policy Statement on land transport.

Instead of directing us where to go, this GPS helps to direct money – like petrol taxes and road user charges – from the National Land Transport Fund into things that the government wants to achieve for New Zealand's transport network.

## **How does the GPS work?**

The GPS helps to guide investment in transport by providing a longer-term strategic view of how we prioritise things in the transport network. The priorities set out in the GPS are given effect to by the NZ Transport Agency and taken into account by councils when making transport investments.

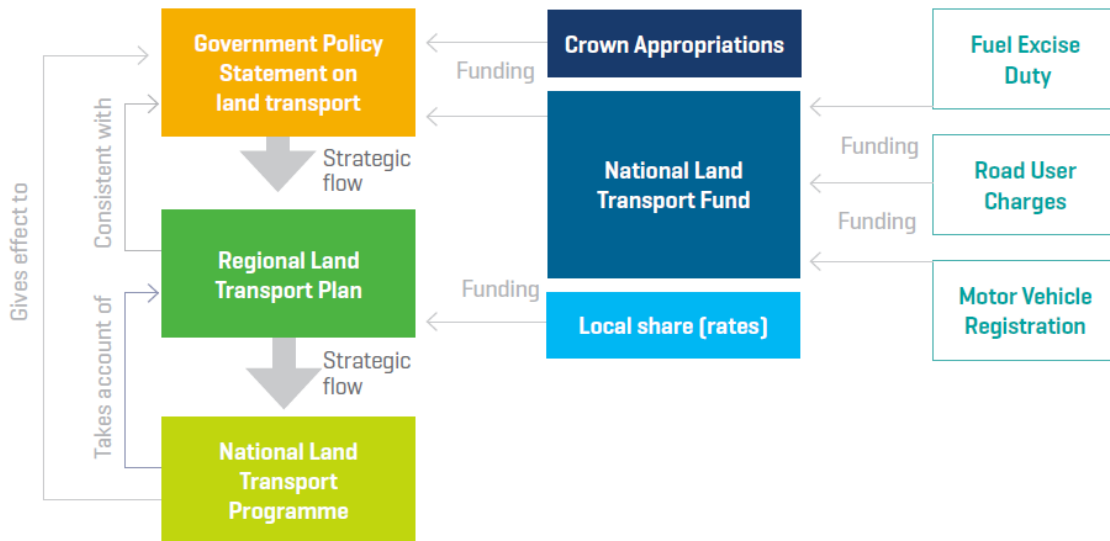
## **What is the relationship between funding and the GPS?**

The GPS indicates publically how the government prioritises transport investments that will be made using the revenue collected from Fuel Excise Duty (FED), Road User Charges (RUC) and motor vehicle registration (and some other smaller sources).

The draft GPS provides guidance on how about \$4 billion of money would be spent through the National Land Transport Fund each year. It provides signals for spending of a further \$1.5 billion each year on land transport through local government investment and over \$0.5 billion each year of Crown investment.

The GPS guides NZ Transport Agency and local authority investment in land transport by signaling:

- what the government wants the land transport system to achieve (by setting strategic priorities, objectives and results)
- how much revenue will be raised for the NLTF from FED, RUC, and motor vehicle registration
- how the government wants the funding to be allocated across different types of land transport system activities (for example, roads, public transport, active transport, or road policing).



### Why do we need the GPS?

The GPS sets aside money to:

- maintain our existing transport network to ensure we can get where we need to go
- improve our land transport network so that it functions better
- deliver specific objectives including for this GPS improving safety, improving access and contributing to environmental priorities.

### Where does the money allocated through the GPS come from?

The GPS informs how the money in the National Land Transport Fund is allocated.

Revenue for the National Land Transport Fund comes primarily from road users through fuel excise duty, road user charges and from motor vehicle registration and licensing fees. There are also some smaller contributions from sources such as the rental or sale of State highway land, and interest from cash invested.

The National Land Transport Fund is a hypothecated fund. This means revenue is ring-fenced for investment in land transport.

### What is the focus of GPS 2018?

The draft GPS 2018 is a key step towards a change in approach to the land transport system. It transforms the focus of investment for land transport. There are new strategic priorities, and amended objectives and themes – demonstrating this Government’s commitment to safety, liveable cities, regional economic development, protecting the environment, mode neutrality, and to delivering the best possible value for money.

The four strategic priorities are:

- safety
- access

- environment
- value for money.

Safety and access are the key strategic priorities for the Government and reflect the transport system that the Government is striving for. These key priorities are supported by the priorities of environment and value for money.

Themes have been included to assist understanding of how to effectively deliver on the priorities. The themes influence how the results should be delivered to ensure the best transport solutions for New Zealand are achieved. The themes for draft GPS 2018 are:

- a mode-neutral approach to transport planning and investment decisions
- incorporating technology and innovation into the design and delivery of land transport investment
- integrating land use and transport planning and delivery.

### **Why are two priorities noted as being key strategic priorities?**

Safety and access are the most important priorities because of the concern about the rising level of death and serious injuries on our roads and the desire to create more livable cities and thriving regions.

It is important that transport investments result in reduced environmental impacts. That is why the environment is a supporting priority and why there is an increased focus on low emission modes such as public transport and walking and cycling. It remains important that transport investment provides good value for money so value for money is also a supporting priority.

### **How would GPS 2018 support safety?**

Safety is one of four strategic priorities in the draft GPS.

*Safety in GPS 2018:*

- reflects a significant increase in the level of ambition for delivering a land transport free of death and serious injury
- outlines a commitment to deliver a new road safety strategy for New Zealand
- signals a greater focus on investing in safety improvements on high risk state highways and local roads across the network, including speed management and primary safe system treatments
- drives improvements in safety outcomes for all road users, including increased investment in footpaths and cycleways to support access to and uptake of active travel modes.

## **How would GPS 2018 support access?**

Access is one of four strategic priorities in the draft GPS.

*Access in GPS 2018:*

- has a new focus that prioritises improving New Zealander's access to opportunities and markets. The increased focus includes:
  - urban centres
  - nationally important freight and tourism connections are safe, efficient, resilient and minimise greenhouse gas emissions
  - a continued focus on resilience of the land transport system, but places greater focus on resilience to climate change impacts.
- The increased focus on urban centres is to ensure that transport and land use planning reduces the need to travel by single occupant private motor vehicle by:
  - transport and land use planning that improves access by reducing the need to travel long distances to access opportunities like employment, education and recreation
  - supporting a mode shift for trips in urban centres from single occupant private vehicles to more efficient, low cost modes like walking, cycling and public transport

## **How would GPS 2018 support the environment?**

The environment is one of four strategic priorities in the draft GPS.

*Environment in GPS 2018:*

- supports a mode shift to lower emission forms of transport, including walking, cycling, public transport and lower emission vehicles (such as electric vehicles)
- recognises the importance of urban form for creating liveable cities that value public space and improve access
- links to the wider environmental commitments of the Government, such as achieving the Paris Agreement target of reducing greenhouse gas emissions to 30 percent below 2005 levels by 2030, and setting a more ambitious emissions reduction target for 2050
- recognises the public health benefits of reducing harmful transport emissions and increasing uptake of walking and cycling.

## **How would GPS 2018 support value for money?**

Value for money is one of four strategic priorities in the draft GPS.

*Value for Money in GPS 2018:*

- increases the emphasis on value for money to maximise the impact of money spent across all modes of transport to achieve the Government's outcomes

- indicates that decision makers should take into account the full range of benefits and costs over the whole life of investments, and to be cognisant of possible future changes and uncertainty of the future, so that investment can be made in options that perform best across a wide range of different scenarios
- places greater emphasis on transparent investment decision-making and on enhanced reporting on the outcomes achieved by investment.

### **The draft GPS 2018 talks about mode neutrality – what does “a mode neutral approach to transport planning and investment decisions” mean?**

Mode neutrality means considering all transport modes when planning and investing in our transport system, and basing decisions on the merits of each mode to deliver positive social, economic, and environmental outcomes.

### **What will the mode neutral focus mean for the transport system?**

Mode neutrality, as a guiding principle for government in the transport system:

- considers all transport mode options to deliver the desired outcomes, applying unbiased evaluation processes, and ensuring regulatory settings are supportive.
- rebalances investments towards travel modes where this would clearly make a positive contribution to the proposed outcomes.
- makes the costs of transport modes more transparent so that people and businesses are well-informed when choosing travel modes.

### **How is mode neutrality reflected in the draft GPS 2018?**

The draft GPS 2018 proposes to embed mode neutrality by including it as a theme to guide investment. This is reflected by increases in spending on public transport and walking and cycling, and new spending on rapid transit.

The changes proposed in the draft GPS 2018 reflect the Government’s belief that a shift in emphasis away from private, single occupancy vehicles can help to deliver the transport system New Zealanders want – a transport system that is safe, that allows New Zealanders to access opportunities and markets, and that creates a healthy environment and healthy people.

The changes proposed in the draft GPS seek to increase investment in these modes, so that they fully contribute to the transport system New Zealanders want.

### **Why is mode neutrality important?**

Mode neutrality encourages us to look across the whole land transport system for a wide range of possible solutions, whether involving physical infrastructure, or, for example, better use of transport data or new technology. This allows the best solution to be put in place to deliver on the Government’s outcomes. A mode neutral approach will change how the transport system is planned, funded and used.

## **The draft GPS 2018 talks about integrating land use and transport planning and delivery. What does this mean?**

Land use planning (including planning new and increased residential or commercial development, improved health or education infrastructure or regional development) has a significant impact on transport policy, infrastructure and services provision, and vice versa. Integrating land use and transport planning and delivery is therefore an important element in creating a transport network that benefits the wider community.

Transport is key to supporting new and increased housing and industry, hospitals and schools, and improving productivity potential in the regions. GPS 2018 will enable transport to support these developments from the planning stage to delivery

## **What is resilience in the transport system?**

Resilience is about being prepared, and preserving and quickly restoring access to the transport network for people and communities, in the face of unplanned events – whether it is a sudden (usually short term) disruption like a road crash, or a longer term or slow onset disruption brought about by a natural disaster or gradual environmental changes.

## **How would GPS 2018 support resilience?**

Resilience is one of the six objectives in the draft GPS 2018.

When access to the transport system is disrupted, it has flow-on effects both on direct users of the network and those who receive goods and services via the transport system. These access disruptions have both social and economic impacts. A resilient transport system actively manages the risks of and vulnerabilities to disruptive events in an efficient and effective way – whether it is a sudden (usually short term) disruption like a road crash, or a longer term or slow onset disruption brought about by a natural disaster or gradual environmental changes.

Climate change and low frequency–high impact events (such as earthquakes) are the key long term issues that have significant implications for the resilience of the land transport system.

The GPS prioritises investment to improve resilience on routes where disruption has the highest economic and social cost. This involves taking a regional or local system approach, including investment in non-transport infrastructure where this has clear transport benefits.

## **The draft GPS 2018 talks about incorporating technology and innovation into the design and delivery of land transport investment. What does this mean?**

Improving land transport investment is all about maximising the benefits gained from the money invested. This means finding the most efficient and effective methods to achieve the Government's priorities for land transport. Existing, new and emerging technologies can support the creation of a safer, more efficient and effective transport system. How fast and how much technology will change transport depends on the costs and benefits of any new technology, people's willingness to use it, and central and local government creating an environment to test, trial and support its deployment.

To support the Government's direction of utilising beneficial transport technologies, GPS 2018 proposes to include expectations on the NZTA to:

- identify, test, integrate and implement physical and digital solutions to improve the

land transport system

- make necessary, timely and cost-effective enhancements to information, analytical and modelling systems
- collect, maintain and publish accurate, reliable and relevant, open (land transport) data
- lead development of open data protocols for land transport data.

### **Why is rail now included in the GPS?**

The draft GPS 2018 supports an increased focus on public transport and reducing the reliance on single occupant vehicles. Rail has an important role to play in this, as part of an integrated transport system. The second stage GPS will consider the further funding of rail, and will be informed by the current review of rail.

In the meantime, the draft GPS 2018 can enable some beneficial passenger rail projects to progress by including it in the same decision-making framework as other transport modes. The draft GPS 2018 includes a transitional rail activity class to provide scope for funding key rail projects that cannot wait for the rail review and second stage GPS. While the draft GPS 2018 makes provision for rail funding, the scope of this funding is tight.

The draft GPS 2018 supports investment in:

- improving urban rail services for passengers accessing housing, major employment areas and major metropolitan areas, where demand is outstripping capacity, to improve reliability or to reduce conflict between freight and passenger trains
- existing and new interregional commuter rail services, including the implementation of trial interregional rail commuter services to support housing and employment opportunities.

### **How much funding is forecast under this GPS?**

The draft GPS 2018 proposes an expenditure target of \$3.95 billion for the 2018/19 financial year; and allocates a total of \$12.65 billion over the first three years (2018/19 to 2020/21).

These expenditure targets assume increases to fuel excise duty and road user charges.

### **What changes to petrol excise duty and road user charges are proposed?**

The Government is considering increasing Petrol excise duty by 3-4 cents per litre each year for the next three years (2018, 2019 and 2020). Revenue from road user charges will increase by an equivalent amount each year, but the exact rates for 2018/19 are yet to be confirmed.

### **When would any petrol tax increases take effect?**

Changes to petrol excise duty and road user charges would likely take effect on 1 September 2018, subject to Government agreement.

## **What will the impact of petrol tax changes be on the consumer?**

Drivers of cars with an average rate of petrol consumption (9.5 liters per 100 kilometres) who travel an average number of kilometres per year will pay approximately \$30 per year in additional petrol taxes (excluding GST). The exact amount of additional fuel tax a consumer might pay depends on how much petrol their vehicle consumes.

## **How would GPS 2018 support Auckland?**

In Auckland, the Auckland Transport Alignment Project (ATAP) builds consensus between the Government and Auckland Council on a strategic approach to transport investment in Auckland that addresses the region's challenges. Through ATAP, an indicative investment package is developed to illustrate the strategic approach. An update to the indicative package is currently underway taking into account Auckland's challenges and the shared Government and Auckland Council objectives around accelerating delivery of Auckland's rapid transit network, in particular to unlock urban development opportunities, encouraging walking and cycling and delivering improvements in health, safety, the environment and access.

GPS 2018 is aligned to the ATAP strategic approach and the broader transport objectives that the current ATAP process is working to. GPS 2018 supports investment in projects aligned to the indicative package emerging from the current ATAP work.

## **How would GPS 2018 support high growth areas?**

The draft GPS 2018 focus supports high growth urban areas through ATAP (as above) and with a focus on increasing the supply of land for housing development in high growth urban areas.

Government support for housing is through the Housing Infrastructure Fund (HIF) and the Crown Infrastructure Partnerships. These will enable transport infrastructure projects to be brought forward where necessary to unlock housing developments in high growth areas

## **How would GPS 2018 support freight?**

The draft GPS 2018 continues to support critical transport connections that support economic growth and productivity by:

- making the best use of the current network (maintenance, resilience and demand management and mode shift)
- increasing network capacity (road, public transport, walking and cycling) to support planned growth
- considering rail as part of an integrated last transport system
- increasing funding for local and regional road improvements and maintenance.

## **How would GPS support the regions?**

The draft GPS 2018 supports the Government's focus on regional development to help the regions thrive.

GPS 2018 supports investment in an increased focus on regional transport including:

- developing transport connections that are crucial for linking production points with key distribution points, (including routes important for exports, and those intra-



regional routes critical for getting local goods to market)

- making higher risk roads and intersections safer
- improving transport connections (including local roads, public transport and active modes) that enable tourists to safely reach their destinations)
- managing and responding to resilience risk on important regional roads.

The draft GPS 2018 supports investment in activities that are complementary to the Provincial Growth Fund and for the Government’s goals for tourism.

### What are the key changes proposed to the activity classes in the draft GPS 2018?

Activity class	Average percentage change over three years <sup>1</sup>	Comment
<i>Public transport</i>	46% increase	This will support an expansion in public transport networks. This will support an increase in operating subsidies for public transport and some public transport capital improvements.
<i>Rapid Transit</i>	New activity class	<i>New activity class</i> – allowing \$4 billion over 10 years to establish rapid transit investment with an initial focus on Auckland. Note: While funding ranges show a decrease in rapid transit investment, in later years the intention is to continue with more investment.
<i>Walking and cycling improvements</i>	248% increase	To support an expansion in walking and cycling infrastructure.
<i>Local road improvements</i>	42% increase	To support local road improvements and upgrades.
<i>Regional improvements</i>	96% increase	To support investment in regional projects that improve safety, resilience and access for people and goods. How the NLTF interacts with the Provincial Growth Fund will be a key determinant of the activity class funding expenditure levels.
<i>State highway improvements</i>	11% decrease	This decrease rebalances investment across the transport portfolio. The proposed activity class level will allow for currently committed projects to be completed and will enable the delivery of more safety improvements.

<sup>1</sup> In funding range upper boundary, across three financial years.

<i>Road policing</i>	14% increase	To enable the NZ Police to maintain an effective road policing service.
<i>Road safety and demand management</i>	81% increase	To continue road safety promotion, alcohol interlocks, and to include demand management measures that promote public transport and walking and cycling.
<i>State highway maintenance</i>	18% increase	This activity class was capped over the last GPS period. It is now proposed to allow for an increase in the level of renewals of state highway pavement surfaces given additional heavy vehicle traffic and severe weather.
<i>Local road maintenance</i>	22% increase	This activity class was capped over the last GPS period. It is proposed to allow an increase to cover the increased maintenance cost of additional heavy traffic and severe weather. However, it is also proposed to allow footpath maintenance to be funded from the NLTF. This is a scope change that reflects the Government's desire to support the use of active modes.
<i>Investment management</i>	31% increase	This increase will support additional transport planning of NZ Transport Agency and local government given the changes to transport priorities.
<i>Transitional rail</i>	New activity class	New activity class – this activity class will support rail priority transport options for users and benefit congestion in our urban centres until a wider review of rail funding is concluded.

### **Will Funding Assistance Rates (FAR) remain the same under GPS 2018?**

The Funding Assistance Rates are set by the NZ Transport Agency. The new priorities create an expectation for greater expenditure from activities where local government is required to provide a share. The NZTA is considering how to support the Government's new priorities.

### **Why is the state highway improvements class decreasing?**

The decrease in the state highway improvements class rebalances investment across the transport portfolio to advance the government's transport priorities under the GPS. There is a stronger focus on creating livable cities by an increased focus on public transport (including rail) and walking and cycling.

### **Do you know which regions/projects will be affected by the state highway improvements class decreases?**

The Transport Agency will be publishing its new draft state highway investment programme once it has been through the appropriate decision-making process.

It outlines the proposed investment in state highway improvements during the next three years in line with available funding in the draft GPS.

## **What is the process and timing to reflect this GPS in Regional Land Transport Plans?**

To help local government get ready to prepare final Regional Land Transport Programmes (RLTPs), the Transport Agency will provide local government with a redrafted Investment Assessment Framework (IAF) and State Highway Investment Proposal (SHIP), both of which reflect the Government's new strategic transport priorities in the GPS.

The IAF is the tool used to assess and prioritise projects and programmes for inclusion in the National Land Transport Programme (NLTP), thereby helping local government to frame-up RLTPs.

The Transport Agency's regional teams will work closely with their local government partners to understand how the changes will affect their communities and explore the opportunities the draft GPS presents to bring forward other programmes of work for 2018-21 NLTP funding, particularly public transport, and cycling and walking.

Councils are due to submit their RLTPs to the Transport Agency by 30 June 2018, so that these can be considered for inclusion in the NLTP. It should also be noted that not all of the projects and programmes included in RLTPs become part of the NLTP, but a programme or project has to be included in an RLTP in order to be eligible for inclusion in the NLTP – and therefore to be eligible for funding from the NLTF.

The Transport Agency is developing a new draft state highway investment proposal that is based on the guidance of the draft GPS. This will be provided to stakeholders once it has been through the appropriate NZTA decision-making process. The state highway investment proposal outlines the proposed investment in state highway improvements during the next three years in line with available funding in the draft GPS.

## **When will the draft Investment Assessment Framework (IAF) be released?**

The Transport Agency is planning to release the draft IAF shortly after the GPS to enable stakeholders to have an understanding of how projects will be prioritized for funding in the NLTP.

## **You talk about a second stage GPS – what does this mean?**

A second stage GPS is likely to be required to fully realise Government's direction for transport investment.

Inclusion of some things in this GPS has not been possible given the scale of change sought, and the time constraints. This is because they rely on other work such as a rail review, development of a new road safety strategy, and any future recommendations and targets produced by the independent climate change commission. Although fuller details are yet to be developed, a second stage GPS would provide more signals to inform investment.

## **When will the second stage GPS be developed and take effect?**

At this stage, we expect a second stage GPS will be released in 2019.

Further details will be released following release of GPS 2018, and we will develop a process that ensures strong sector involvement in the GPS development process.

## **PROVINCIAL GROWTH FUND**

The Provincial Growth Fund (PGF) was announced by the Government in February 2018. The PGF aims to enhance economic development opportunities, creating sustainable jobs, contributing to community well-being, lifting the productivity potential of regions, and helping meet New Zealand's climate change targets.

The fund of \$1 billion per annum - \$3 billion over three years – is designed to make investment in the provinces more attractive for private sector investment. To find out how to apply for funding from the PGF for a transport project you must first register with MBIE via their website or email [PGF@mbie.govt.nz](mailto:PGF@mbie.govt.nz)

### **Can my region access funding from both the National Land Transport Fund (NLTF) and the PGF?**

Yes. All provinces are eligible for funding (outside the three main cities), however 'surge' regions (these are regions which have been identified as needing early investment) will be given priority. The surge regions include: Tai Tokerau/Northland, Toi Moana/Bay of Plenty, Tairāwhiti/East Coast. Hawkes Bay, Manawatu/Whanganui and Tai Poutini/West Coast.

In respect to funding transport projects, the PGF can be used to:

- provide a top-up of local share for projects that will receive funding from the NLTF, but where local councils are financially constrained
- bring forward projects which are not priorities for NLTF investment, but are strategically important to a region's productivity potential
- fund projects outside of the scope for NLTF investment, but which contribute to the objectives sought through the PGF and are aligned with the region's transport strategy.

A transport project needs to be referenced in a Regional Land Transport Plan (RLTP) in order for it to be considered for funding from either the NLTF and/or the PGF. This is to encourage integrated transport planning that takes a wider view of how transport can enable positive economic, social and environmental outcomes in regions, including decisions about the best mode for doing this.

Whether a project will receive PGF funding will be determined based on criteria that are being developed (see questions 4-6 below for more information).

### **Does my region apply for NLTF first or PGF?**

All projects need to be factored into RLTPs, and land transport projects need to be considered for inclusion in the National Land Transport Programme (NLTP) in the first instance.

### **A transport project in my region has been turned down for NLTF funding, can I access PGF?**

Yes. Where projects are not prioritised for NLTF investment, these will be assessed against the PGF criteria, to test alignment with regions' and the Government's priorities for regional economic development. NZTA, MoT and the PGF's Independent Advisory Panel will provide advice on how these projects contribute to the objectives of the PGF and support GPS objectives.

### **My RLTP is currently being consulted on, or has been finalised. Are we still able to seek PGF support for a project not currently included in the RLTP?**

RLTPs can be varied at any time to include new or emerging land transport projects which may also be seeking PGF funding.

### **What is the assessment process?**

All land transport projects will be subject to assessment by NZTA, as is current practice. This is intended to ensure that integrated regional transport planning continues to take place, and that transport projects are subject to consistent assessment.

Some projects will be well placed to receive support from the PGF. In these cases, NZTA, MoT, the Provincial Development Unit and the PGF's Independent Advisory Panel will be called on to provide advice to Ministers on how projects contribute to the objectives of the PGF and support GPS objectives.

### **What are the criteria for the PGF to fund transport projects?**

Projects will need to meet the Government's criteria and objectives for the PGF, which are focused on the extent to which the project will contribute to a region's economic development and productivity potential, and have benefits including:

- job creation and sustainable economic development
- social inclusion and participation
- Māori development
- climate change and environmental sustainability
- resilience.

Projects will need to contribute to increased productivity potential and positive economic outcomes for regions and be included in their economic development strategies, as well as in their RLTPs.

Further detailed principles and criteria for assessing such projects according to the objectives for the PGF are under development, including guidance on how assessments will be weighted. These will be released to guide applicants in the coming weeks.

All projects will need to have robust business cases and be fully costed, including whole-of-life costs. Applicants will also need to be able to demonstrate that they have the capacity to deliver the project.

The NZTA, the Ministry of Transport (MoT), the Provincial Development Unit, and the PGF's Independent Advisory Panel (IAP) will be called on to provide advice on proposals.

### **Will business cases be required?**

Yes. All transport projects seeking funding through the PGF will require a business case at the point that an application is invited, which considers the case for the project and its costs and benefits.

All land transport projects, regardless of the funding source, require the NZTA business case approach to be applied. This is a fit for purpose process which ensures effective proposals

are developed by identifying the problem or opportunity, and then developing options and selecting the preferred option. It will ensure that transport projects supported through the PGF are robust and assessed consistently.

### **Does a project have to be in the RLTP to be considered?**

The Land Transport Management Act 2003 (S16 2c) requires an RLTP to include all regional significant expenditure on land transport activities, including activities that may be funded from non-NLTF sources.

Transport projects should be referenced in RLTPs, to ensure that a region's transport planning is aligned with its objectives for economic development, and can support the economic, social and environmental outcomes it is seeking.

### **How do I link into my Regional Transport Committee?**

All local and regional councils, and the NZTA, have representation on Regional Transport Committees (RTCs). You can ask your local council for contact details for land transport and the RTC.

### **Can I link with other regions on cross regional transport projects?**

Yes, some projects may cover infrastructure or services located in more than one region. All cross regional transport projects will require inclusion in all relevant RLTPs, as is the case with existing projects. Early engagement with all relevant councils and RTCs is recommended.

### **Can rail be funded through the PGF?**

Yes. We are interested in investing in rail where projects are the best option to deliver economic, social and environmental benefits for communities. The Government is focused on building a transport system that reduces congestion, improves safety, reduces carbon emissions and enables regional economic development.

### **Will the PGF support tourism and freight projects?**

Yes, as outlined in the initial announcements, the PGF will be able to support a wide variety of projects across different industries.

A number of large scale industry projects may have transport requirements (e.g. a large new commercial venture which requires new roads to be built). In these cases, assessments will be carried out across a number of government agencies (and, where appropriate, the IAP).

### **Will the PGF support resilience projects?**

Proposals to improve infrastructure will be eligible for funding under the Enabling Infrastructure project tier of the Fund. These projects will need to demonstrate how they achieve the objectives of the PGF, which include resilience.

### **Can cycling and walking be funded through the PGF?**

Projects that are able to demonstrate that they achieve the objectives of the PGF will be eligible for funding.

### **Why is the Government spending money on catch up maintenance for rail?**

To ensure we have a modern and agile transport system we need invest in new developments and ensure that existing infrastructure is fit-for-purpose. To overcome the legacy of delayed maintenance we have committed to undertake the work necessary to ensure that we have a rail network that is resilient and enables regional economic development.

## **NEXT STEPS**

---

### **How do I provide feedback about the draft GPS?**

The draft GPS will be released for public engagement from 04 April 2018 to 02 May 2018.

**You can use the feedback form on the Ministry of Transport website <http://www.transport.govt.nz/ourwork/keystrategiesandplans/gpsonlandtransportfunding/> or send us your feedback in another form.**

Feedback can be emailed to [gps2018@transport.govt.nz](mailto:gps2018@transport.govt.nz) or submitted in writing to:

Attn: GPS Policy Team  
Ministry of Transport  
PO Box 3175  
WELLINGTON 6140

Feedback closes at **5pm 02 May 2018**.

### **Who do I contact if I have any questions?**

If you have any questions which are not covered online or in these questions and answers you can contact the GPS project team on [gps2018@transport.govt.nz](mailto:gps2018@transport.govt.nz)

### **When will the final GPS 2018 be issued?**

The Ministry of Transport will consider comments received during engagement and prepare a final GPS for the Minister of Transport's consideration. The Minister must also consult with the Board of the NZ Transport Agency before the GPS is finalised.

The final GPS will be published before 30 June 2018.





## **APPENDIX 3**

# **Submission on the Government Policy Statement on Land Transport for 2018**



Your Ref:  
Our Ref: 8.00047



24 April 2018

Attn: GPS Policy Team  
Ministry of Transport  
PO Box 3175  
Wellington 6140

By e-mail: gps2018@transport.govt.nz

Dear Sir/Madam

## **Bay of Plenty Regional Transport Committee Submission on the Draft Government Policy Statement on Land Transport for 2018/19 to 2027/28**

Thank you for the opportunity to submit on the Government Policy Statement on Land Transport 2018. This submission is from the Bay of Plenty Regional Transport Committee (RTC), a regional governance body with representation from the Bay of Plenty Regional Council, the region's district and city councils and the New Zealand Transport Agency.

### **1 Scope of the submission**

This submission focusses on:

- general questions or wider issues that the RTC would like to raise about the draft GPS; and
- areas of common interest where the RTC is able to provide a collective regional perspective.

### **2 Timing of the final GPS**

To meet NZ transport Agency timeframes, our region has completed drafting our Regional Land Transport Plan (RLTP) which covers the period from July 2018 - June 2028. This is ahead of the final GPS, which the RLTP must be consistent with.

The RLTP 2018 - 2028 cannot be substantively amended at this late stage if it is mis-aligned with the GPS.

While there is good alignment throughout both documents, the region's highest priority improvement activities include State highway improvement projects that may be deferred or cancelled due to the reprioritisation of funding through the new GPS.

The RTC is particularly concerned that the Tauranga Northern Link (TNL) may not proceed. The TNL provides a critical safety and access function as one of the main access points into Tauranga and to the Port of Tauranga, both locally and from Auckland and Waikato. There

are approximately 18,500 vehicles travelling across the Wairoa River bridge every day. The population served by the highway is growing.

Outcome sought: note the consistency between the draft GPS and draft Bay of Plenty RLTP. Prioritise investment in the Tauranga Northern Link.

### **The GPS Strategic Direction**

The four strategic priorities which set the ten-year view for the draft GPS to drive improved performance from the land transport system are:

- Safety
- Access
- Environment
- Value for money

The strategic priorities align well with the draft Bay of Plenty RLTP objectives and problem statements. The RLTP recognises the region has some significant challenges in terms of safety, access and environmental issues.

#### *Safety*

The draft RLTP has adopted the safe system approach and recognises the need for significant investment to implement the safe system approach in our region. The RTC supports the priority given to achieving a significant reduction in the number of deaths and serious injuries on the transport network. In 2017 the total social cost of deaths and serious injuries amounted to \$283 million in our region. The proportion of travel on State highways in our region with two star KiwiRap ratings (effectively the lowest safety rating) is significantly higher at 51 percent compared to the national level (33 percent) or Waikato (38%).

Outcome sought: retain the safety strategic priority and implement investment to address deaths and serious injuries on the region's roads, particularly two star KiwiRap State highways.

#### *Access*

The RTC supports the access strategic priority which prioritises the ability of people and goods to access opportunities and markets. The draft GPS objectives sought are consistent with the draft RLTP access and resilience objective seeking a land transport system that:

- provides increased access for economic and social opportunities;
- enables transport choice and access; and
- is resilient.

The Bay of Plenty RLTP objective is "Communities have access to a resilient and reliable transport system that provides them with a range of travel choices to meet their social, economic, health and cultural needs."

Better access to markets, business areas and supporting tourism is one result sought from the access strategic priority. The GPS states that generally, New Zealand's existing road network is reasonably well developed and provides a high level of access for light and heavy vehicles at a national and local level. Our RLTP identifies traffic growth in parts of the region

as increasing congestion and inhibiting the efficient movement of people and goods. Bay of Plenty freight volumes are the 4<sup>th</sup> highest in the country and are forecast to grow strongly in the future.

Some capacity constraints may be addressed through increased investment in public transport, walking and cycling and via rail or coastal shipping. In the Bay of Plenty investment will still be required in peri-urban areas to ensure access to markets for produce such as kiwifruit and avocados. There is also considerable horticultural related growth north of Tauranga. In the Bay of Plenty kiwifruit production employs about 6,000 people. The avocado industry is targeting \$280 million worth of exports by 2031, more than doubling the current export sales.

Outcome sought: retain the access strategic priority acknowledging that alternative modes are vital in urban areas. Our region will require investment in roading infrastructure to provide access to markets particularly in peri-urban areas where alternatives are less feasible.

## **2.1 Environment**

The third strategic priority in the draft GPS is environment. The objective of this outcome is a land transport system that reduces the adverse effects on the climate, local environment and public health. The results sought are to reduce transport's negative effects:

- on the global climate; and
- the local environment and public health.

The issues highlighted in the GPS align are also identified in the RLTP. Our region is heavily reliant on travel by car. A recent study conducted for Tauranga City Council showed that 62% of CO<sup>2</sup> emissions come from transport. In comparison, nationally, transport accounts for 18% of greenhouse gas emissions.

Outcome sought: retain the environment strategic priority and support the aspiration to ensure the land transport system enables better environmental outcomes and reduce greenhouse gas emissions. Our region and particularly our urban areas, face a significant challenge in reducing greenhouse gas emissions and increasing the uptake of active modes, public transport and mode neutral freight.

## **2.2 Value for money**

The draft GPS increases the emphasis on value for money to maximise the impact of the money spent to achieve the Government's outcomes. The objective of this strategic priority is a land transport system that delivers the right infrastructure and services to the right level at the best cost. The results sought are better informed investment decision-making and improved returns from maintenance. The draft RLTP includes the following objective "*investment in the transport system maximises use of available resources and achieves value for money*".

### **GPS themes**

The three themes of the GPS are:

- a mode neutral approach to transport planning and investment decisions;
- incorporating technology and innovation into the design and deliver of land transport investment; and
- integrating land use and transport planning and delivery.

### **A mode neutral approach to transport planning and investment decisions**

The government has signalled it intends to explore how rail investment can be incorporated into the GPS and National Land Transport Fund (NLTF) as a means of introducing mode neutrality into transport planning and enabling rail projects to be eligible for funding. Several strategic rail projects have previously been raised in the Bay of Plenty that are relevance to the Government's stated intentions. These include:

- electrification and progressive double tracking of the East Coast Main Trunk (ECMT) line;
- re-commissioning the Rotorua branch link to link a major freight and tourism centre to the upper North Island rail network;
- developing rail sidings to support the proposed intermodal Kawerau Container terminal; and
- investigate the feasibility of extending the Bay of Plenty rail network through to Taupō.

Tauranga is a high growth area and there is potential to explore rail or light rail as future public transport options in the future.

Outcome sought: introduce a mode neutral approach to transport planning and investment decisions.

### **Incorporating technology and innovation into the design and deliver of land transport investment**

The draft GPS recognises that technology is changing many aspects of our life including the way we travel and how freight and services are moved on our network. The draft RLTP also recognises technology as something with potential to impact on the region in the future.

Technology has been mooted as having the potential to reduce or remove congestion and greatly improve the efficiency and safety of the transport network. While it remains difficult to determine when and what impact technology will have there is still sense in improving the land transport system as it is.

Outcome sought: Continue to build momentum to improve the land transport system rather than taking a wait and see approach regarding technology.

### **Integrating land use and transport planning and delivery**

Land use planning has a significant impact on transport policy, infrastructure and service provision and vice versa. Integrated planning is taking place at several different scales in the Bay of Plenty, as demonstrated in Table 1.

Scale	Examples	Theme
Pan-regional	UNISA Freight Story	Freight
Regional	Regional Land Transport Plan	Transport and land use
Sub-regional	SmartGrowth	Spatial
	Rotorua Spatial Plan	Spatial
	Eastern Bay of Plenty Spatial Plan	Spatial
Corridor/network	Tauranga Transport Strategy	Transport and land use
	Rotorua Integrated Network Strategy	Transport and land use
	State Highway 1/29 – ECMT Line Working Group	Transport and land use

*Table 1 Integrated planning examples from the Bay of Plenty (pg48 RLTP)*

Outcome sought: The RTC supports central government’s role in improving the visibility of planning and infrastructure intentions, facilitating engagement and enabling joint funding and decision making.

### 3 Total Funding for GPS 2018

Funding from the NLTF is allocated through the GPS to help achieve the Government’s priorities for land transport. The revenue for the fund is projected to increase from around \$3.7 billion in 2018/19 to \$4.7 billion in 2027/28 based on forecast levels of fuel excise and road user charge rates. The government has signalled an increase in fuel excise duty and road user charges to deliver its new transport priorities.

Table 2 shows the total expenditure target (the expected levels of expenditure based on projected revenue for the first six years of the GPS. Actual expenditure will vary with actual revenue collected in the fund.

	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/22 \$m	2022/23 \$m	2023/24 \$m
Expenditure target	3,950	4,250	4,450	4,500	4,550	4,600
Maximum expenditure	4,050	4,350	4,600	4,650	4,700	4,800
Minimum expenditure	3,850	4,100	4,300	4,350	4,400	4,400

*Table 2 National Land Transport Programme Funding Ranges*

### 4 Activity Class Allocations

#### 4.1 Public transport

Outcome sought: the RTC recommend the GPS includes objectives and policies that support the prioritisation of investment in bus priority and other supporting infrastructure in urban areas.

## 4.2 Rapid transit

No comment.

## 4.3 Walking and cycling

Outcome sought: the RTC recommend the GPS includes objectives and policies that support the prioritisation of investment in walking and cycling and other supporting infrastructure in urban areas.

## 4.4 Local road improvements

Outcome sought: this activity class should prioritise and support investment in walking, cycling and public transport infrastructure. Policies and objectives could be included in the GPS to encourage a multi-modal approach to local road improvements.

## 4.5 Regional improvements

Population and economic growth in the western Bay of Plenty sub-region has been a consistent theme in recent times. In recent years there has also been a turnaround in the region's rural economies with the growth of existing industries and creation of new economic opportunities, coupled with population growth at least partly driven by changing lifestyle preferences. As a result, population estimates for the Rotorua, Whakatāne, Kawerau and Ōpōtiki districts have increased by between 2.6 to 4.8% over the past five years.

The region has at least six regional economic development projects, as listed in Table 3, where transport investment will play a critical role as an enabler.

Project	Role of transport investment
Ōpōtiki sea farms and harbour development	Freight hub / support aquaculture industry
Kawerau Container Terminal	Freight hub / support eastern Bay of Plenty industry
Kiwifruit development and expansion (e.g. Omaio)	Provide journey time reliability to processing facilities and Port
Afforestation (region-wide)	Provide efficient and reliable road/rail links to processing facilities and Port
Motu cycle trail enhancement and extension	Grow tourism opportunities
Te Urewera Rainforest Route	Grow tourism opportunities

Table 3 Regional Economic Development Projects (from RLTP pg29)

Outcome sought: the RTC recommends the GPS retain the increased investment in regional improvements.

## 4.6 State highway improvements



The GPS proposes to reduce state highway funding to \$3.85 billion for the next three years compared with \$4.35 billion in the current 2015-18 NLTP. The reduction in funding for State highway improvements is likely to have a significant impact on the region with over half of the Bay of Plenty's highest priority improvement areas sitting within this activity class.

Outcome sought: the RTC seeks assurance that the region's prioritised State highway projects will proceed without delay, particularly the Tauranga Northern Link.

#### **4.7 Road policing**

Road policing forms an integral part of the safe system approach to road safety in the Bay of Plenty. Police enforcement and prevention-based activities in the Bay of Plenty will continue to target the 'fatal five' contributing factors to fatal and serious crashes:

- Speed - targeting excess speeds and inappropriate speed for road conditions while working with road controlling authorities on appropriate speed zoning.
- Alcohol and drug driving - using a general deterrence approach to remove affected drivers from the network and dissuade others from driving impaired before they start.
- Restraints - through targeted enforcement and co-operative education initiatives, improve the wearing rate and decrease the injury rate arising from not using vehicle restraints.
- Dangerous and careless driving - targeted enforcement of high risk behaviours with a timely and effective response.
- High-risk drivers - through both enforcement and education reduce the impact of high risk drivers on the network

These activities will be targeted to high risk locations at high risk times. In particular, police will focus on:

- SH2 (Katikati – Bethlehem) – targeting the recent increases in deaths and serious injuries on this corridor.
- SH29 (Kaimai Ranges) – working with Waikato road policing staff and the NZTA to address the high crash rate during inclement weather on this strategic route.
- Eastern Bay of Plenty – supporting the development of the Eastern Bay of Plenty rural road safety project.
- SH5 – promoting safe driving on this key freight and tourism route.

Outcome sought: the RTC supports the increased investment in road policing.

#### **4.8 Road safety promotion and demand management**

The activity class was previously road safety promotion and invested in promotion, education and advertising activities to promote the safe use of the land transport network. The new definition of the activity class is investment to improve safer road user behaviour, the provision of alcohol interlocks and reimbursements related to impounded vehicles. This definition seems at odds with the activity class title of promotion and does not cover demand management.

Outcome sought: revise the definition of the activity as follows "investment in promotion, education and advertising activities to promote and encourage the safe use of the land

transport network for all modes". Remove reference to alcohol interlocks and reimbursement for impounded vehicles.

#### 4.9 State highway maintenance

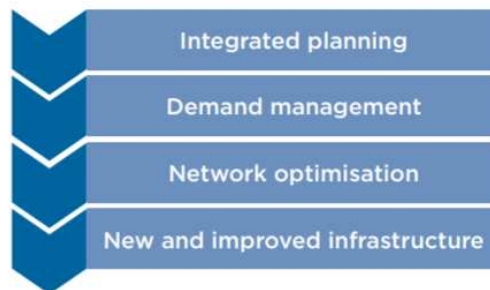
Outcome sought: the RTC support an increased investment in State highway maintenance.

#### 4.10 Local road maintenance

Outcome sought: the RTC support an increased investment in local road maintenance.

#### 4.11 Investment management

The RLTP applies the Optimised Transport System (OTS) which is a hierarchy of transport interventions to optimise the performance of the region's land transport system. This places integrated planning at the top of the intervention hierarchy. Every step of the OTS requires transport planning input and funding allocation management.



*Figure 1 Intervention hierarchy for the Optimised Transport System*

Outcome sought: the RTC support the investment levels set for investment management in the GPS.

#### 4.12 Transitional rail activity class (new)

The RLTP supports the introduction of the transitional rail activity class. It states that investment in the rail network should focus on supporting the inter and intra-regional movement of products to and from the Port of Tauranga to ensure there is sufficient capacity to meet projected freight demand increases, the potential re-introduction of inter-regional passenger rail services, and possible changes in the pattern of demand resulting from the introduction of larger ships.

Recommended investment focus areas include:

- investigating the feasibility of increasing the use of rail for passengers and freight;
- resilience improvements (Kaimai Tunnel floor, rail bridges);
- reliability improvements (signalling upgrades, preventative maintenance);
- rail capacity improvements (passing loops, additional rolling stock, increased axle loads); and
- inter-modal facilities and hubs (sidings, expanded loading and storage facilities).

Outcome sought: the RTC supports the inclusion of a transitional rail activity class.

Once again, thank you for the opportunity to submit on the Government Policy Statement on Land Transport 2018.

Yours faithfully

Councillor S Crosby  
**Chairman, Regional Transport Committee**



# **APPENDIX 4**

## **Summary of Local Government Road Safety Summit**



## Local Government Road Safety Summit 9 April – report back summary

1. Associate Transport Minister Julie Ann Genter’s speech reiterated the priorities and messages from the draft GPS 2018, and did not introduce new factors, nor were there any new signals additional to the draft GPS.
2. Key messages from the summit were:
  - The current road safety outcomes are unacceptable and crashes must come down.
  - The government is signalling safety as a key priority and confirms the national road safety strategy will be reviewed by September 2019, for implementation from 2020, and will consider the adoption of Vision Zero with clear ambitious targets and sophisticated baseline monitoring.
  - The new strategy will also address the broader harms of transport, including health from inactivity, and air pollution. The summit is one opportunity to input into the new strategy, but there will be further opportunities.
  - Safety and accessibility are not mutually exclusive nor is economic progress, and do not require economic trade offs.
  - Local government needs to work together with central government and other partners to reduce preventable deaths and serious injuries, using shared responsibility as a guiding principle.
  - Be brave in working with communities to take changes to them. Think ambitiously.
  - The government wants to know how it can support local government to accelerate changes including speed management guide implementation, reduced speed around schools, greater use of ‘safety cameras’, enhancing most vulnerable road users safety, addressing vehicle standards, looking at the driver licensing programme, police enforcement, mandatory drink drive interlocks from July 2018.
3. Minister Genter asked participants to identify how to make faster progress, what are the obstacles now and how can central government policy or funding support this. Participants workshopped three key areas – roads and roadsides, speed management and walking and cycling through a set of guided questions. During reporting back it was clear that there was general agreement on a number of key feedback points:
  - The current FAR rates for safety limit the ability of local government to invest
  - The business case process is onerous and needs to be looked at
  - More enforcement investment needed and need to be able to enforce lower speed limits including tools, technology and staffing and considering harsher penalties for some aspects
  - Speed management changes need a lot of support both community and technical and the bylaw process needs to be addressed, a decrease in default speed has broad support
  - Good data and research is needed, much of what is available is out of date and not responding to rapid changes and there needs to be better communication across many aspects of the safety sector
  - Safety education is critical across all facets and groups including growing public understanding
  - Local government staff capacity and capability is an issue in accelerating
  - A call for a whole of government approach including ministries of Health and Education, ACC
  - Support for walking and cycling investment including rule changes around priority

- The driver licensing process needs to be looked at
- The vehicle fleet needs to be safer and younger and there is an opportunity to be visionary in approach and identify incentives and supporting levers including the role of insurance
- Use of standardised designs and consistency across the country, including active modes in ONRC
- Strong central government leadership and building a safety culture are critical, Vision Zero is well supported.

(Prepared by Waikato Regional Council)





Receives Only – No Decisions

**Report To:** Regional Transport Committee

**Meeting Date:** 24 April 2018

**Report From:** Fiona McTavish, General Manager, Strategy & Science

---

## Regional Fuel Tax

---

### Executive Summary

The Minister of Transport introduced into Parliament legislation for establishing a regional fuel tax, initially for the Auckland region. The Bill has been referred to the Finance and Expenditure Select Committee, which has called for public submissions which close on 20 April 2018. The law is expected to be passed in June.

Council has prepared a draft submission supporting the Bill.

### Recommendations

**That the Regional Transport Committee under its delegated authority:**

- 1 Receives the report, Regional Fuel Tax.**
- 2 Approves the appended submission that supports the Land Transport Management (Regional Fuel Tax) Amendment Bill.**

#### 1 Introduction

On 22 March 2018 the Minister of Transport, Phil Twyford, introduced into Parliament legislation for establishing a regional fuel tax, initially for the Auckland region.

The Land Transport Management (Regional Fuel Tax) Amendment Bill introduces a mechanism to raise funds for transport infrastructure programmes that would otherwise be delayed or not funded.

The Bill has been referred to the Finance and Expenditure Select Committee, which has called for public submissions. The law is expected to be passed in June, ready for a fuel tax to be put in place in the Auckland region from 1 July.

Council has prepared a draft submission (prepared by R Pinn Consultants) for the consideration of the Regional Transport Committee (appended). As the Select Committee require submissions by the end of 20 April 2018 (prior to the Committee meeting), the Council has submitted a draft submission, noting that the Committee will consider and approve a final submission on 24 April.

## 2 The Submission

Appended to this report is a question and answers sheet on the Bill prepared by the Ministry. Of interest is that the Bill provides for a regional fuel tax to be implemented in regions other than Auckland, but not until at least 1 January 2021.

As noted a draft submission is appended. Feedback on the submission was sought from the Regional Advisory Group (RAG). The RAG did not unanimously support the direction of the submission.

The submission:

1. supports the ability to establish a regional fuel tax;
2. seeks provision within the Bill for the administering regional council to deduct reasonable costs to cover the preparation of the proposal, administration, distribution and reporting of the regional fuel tax; and
3. recommends some drafting changes.

## 3 Council's Accountability Framework

### 3.1 Community Outcomes

This item directly contributes to the Regional Collaboration and Leadership and Economic Development Community Outcomes in the Regional Council's Long Term Plan 2015-2025.

### 3.2 Long Term Plan Alignment

This work is planned under the Transport Planning Activity in the Long Term Plan 2015-2025.

#### **Current Budget Implications**

There are no current financial implications for Council arising from the decision to lodge a submission.

#### **Future Budget Implications**

There are no future financial implications for Council arising from the decision to lodge a submission.

Garry Maloney  
**Transport Policy Manager**

**for General Manager, Strategy & Science**

**17 April 2018**

# **APPENDIX 1**

## **BoPRC RTC Submission on Regional Fuel Tax**



Your Ref:  
Our Ref:



20 April 2018

Committee Secretariat  
Finance and Expenditure Committee  
Parliament Buildings  
Wellington 6160

By e-mail: fe@parliament.govt.nz

Dear Sir/Madam

## **Bay of Plenty Regional Transport Committee Draft Submission on the Land Transport Management (Regional Fuel Tax) Amendment Bill**

Thank you for the opportunity to submit on the Land Transport Management (Regional Fuel Tax) Amendment Bill. This draft submission is from the Bay of Plenty Regional Transport Committee (RTC), a regional governance body with representation from the Bay of Plenty Regional Council, the region's district and city councils and the New Zealand Transport Agency.

The RTC will meet on 24 April 2018 to approve its final submission.

The RTC does not wish to present to the select committee.

### **1 Background**

The Land Transport Management (Regional Fuel Tax) Amendment Bill (the bill) was introduced to Parliament on 22 March 2018 and had its first reading on 28 March 2018. The Bill is now at the select committee stage and submissions are being accepted. The Government/Minister of Transport's objective is to have legislation in place to enable tax to be collected in Auckland by 1 July 2018.

The Bill proposes a mechanism under which regional fuel taxes can be established. This regional fuel tax would enable regions to fund transport infrastructure programmes that would otherwise be delayed or not funded. The revenue from a regional fuel tax is to go to the regional council in the region where the taxed fuel is delivered for sale or consumption.

### **2 Regional Transport Committee Submission Points**

#### **2.1 Support for the introduction of Regional Fuel Tax**

The Bay of Plenty RTC supports the ability to establish a regional fuel tax. The Bay of Plenty region has forecast expenditure of \$2.338 billion over the seven-year period (2018/19 – 24/25) for activities eligible for funding support through the National Land Transport Fund (NLTF). Over the same period, a further \$115 million land transport expenditure has been

identified that is not eligible for funding support from the NLTF. The RTC acknowledges there are other potential mechanisms both existing and new that could be potentially more efficient than the introduction of a regional fuel tax. However the availability of a fuel tax would provide a potential revenue source to fund more activities.

The region has gained considerable benefits from accessing additional transport revenue streams in the past. The Joint Official Group (JOG) process in 2005 is an example of regional collaboration to determine where the Crown appropriation would be spent. Lengthening the Apata rail loop as a means of increasing capacity on the East Coast Main Trunkline (ECMT) in 2007 is one investment example that arose from a JOG process. This \$2.5m investment to extend the passing loop provided a mode neutral freight benefit to the Waikato, Auckland and Bay of Plenty regions enabling the number of trains per hour to double. It was part of a wider funding allocation for rail capacity improvements of approximately \$13 million.

Our region has strong links within the Upper North Island and the RTC supports the phased approach which allows Auckland Transport to implement a fuel tax ahead of other regions.

Recommended option: Retain the proposed regional fuel tax.

## **2.2 Administration of the tax**

The administration of the regional fuel tax sets out the role of the NZ Transport Agency in administering, monitoring and enforcing the collection of the tax and makes provision to charge for the ongoing administrative costs for the scheme. The funds collected will be distributed by the regional council responsible for the region where the taxed fuel is delivered for sale or consumption.

The regional council is responsible for establishing any regional fuel tax within its region. This includes making a proposal that sets out the proposed tax rate and duration along with the transport programme and projects to be fund. The regional council must consult with its community prior to submitting the proposal to Ministers (the Ministers of Finance and Transport).

If a fuel tax was established in the region the Regional Council would establish a regional fuel tax account where funds all funds received by the Council would be deposited. The Regional Council would also be responsible for ensuring that all payments from the account were made in support of the programme of transport projects proposed for the regional fuel tax and accounted for in any manner required by the NZ Transport Agency.

The programme of works supported by a regional fuel tax in the Bay of Plenty could be delivered by as many as ten approved organisations including KiwiRail. The administration of the account and ensuring that all payments are allocated correctly will incur a cost to the administering council. The NZ Transport Agency has specific provisions for administering the scheme and Regional Council's preparation of the application and subsequent administration costs should be able to be deducted from the regional fuel tax.

Recommended option: provision be made for the administering regional council to deduct reasonable costs to cover the preparation of the proposal, administration, distribution and reporting of the regional fuel tax.

## **2.3 Reference to capital projects**

The guiding policies which are summarised in the explanatory note include the statement that the regional fuel tax may be used toward the funding of capital expenditure, associated debt repayment and operational expenditure when it is associated with the delivery of a package or programme of projects. Throughout the Bill “programmes of capital projects” are referred to (for example see Section 65D). While it is likely that regional fuel tax will go towards capital projects there is no real need to continually refer to programmes of ‘capital’ projects. A programme could well fund the operational costs of a new public transport service which would be consistent with government policy.

Recommended option: replace ‘capital’ with ‘transport’ where the programme of ‘capital’ projects is referred to. See section 5 for specific examples.

## **2.4 Process for dispute resolution with regional fuel tax payers**

A regional fuel tax will be collected at the distribution level (meaning where the fuel is supplied by a distributor to service stations and commercial storage facilities). The Bill sets out the mechanisms for managing the collection of the fuel tax and sets out the reporting requirements and timeframes and establishes the NZ Transport Agency’s responsibility for the collection of the tax. Section 65Y sets out the process for appeals by the regional fuel taxpayer (the fuel distributor). If the regional fuel taxpayer does not agree with the tax set, they may lodge an appeal with the District Court. Consideration could be given to including a mediation approach with the regional fuel tax payer with a view to reducing the likelihood of potentially time consuming and costly District Court proceedings.

Recommended option: Insert a process for dispute resolution or mediation prior to the section on appeals.

## **3 Specific comment clause buy clause.**

*Section 65C* - Requirements relating to RFT scheme states that there may be no more than one RFT scheme in force at any one time in an RFT region and that the maximum duration of the scheme is ten years unless extended. There may be some instances where it is sensible to have more than one RFT scheme in place. Thinking longer term, an RFT may be set for ten years and then extended by a year or two to accommodate delays in implementation or to obtain enough funding for the programme, where the actual RFT collected is less than projected. At the same time, responding to a new programme may require more investment (for example responding to a regional resilience issue).

Recommend response: an exception made where one RFT scheme is concluding, that a new scheme may be implemented with a limited timeframe for overlapping schemes, for example schemes may run concurrently but only for one year to 18 months.

*Section 65D* - Preparation of a proposal to establish or replace RFT scheme states that where there are one or more capital projects a regional council may prepare a proposal to establish a RFT. The guiding policies which are summarised in the explanatory note include the statement that the regional fuel tax may be used toward the funding of capital expenditure, associated debt repayment and operational expenditure when it is associated with the delivery of a package or programme of projects. The clause as drafted, unintentionally excludes operational costs for example regional rail and debt repayment.

Recommended response: replace 'capital' with 'transport' in section 65D.

The section would then read as follows:

#### **65D Preparation of proposal to establish or replace RFT scheme**

A regional council may prepare a proposal to establish or replace an RFT scheme if the council, having regard to the views of the regional land transport committee, considers that there are 1 or more ~~capital~~ transport projects that—

(a) would benefit the region; but

(b) cannot reasonably be fully funded from sources other than a regional fuel tax within the time frame desired by the council.

*Section 65G*-Proposal to vary RFT scheme clause (a) again refers to capital projects. It is recommended that 'capital' be replaced with 'transport'. For consistency with the recommended response to section 65D.

Recommended response: replace 'capital' with 'transport' section 65G.

The section would then read as follows:

#### **65G Proposal to vary RFT scheme**

A regional council may prepare a proposal to vary an RFT scheme if it considers it desirable that any of the following aspects of the RFT scheme for its region be changed:

(a) the programme of ~~capital~~ transport projects supported by the RFT scheme:

*Section 65G* also refers to the ability to vary the rate or rates of regional fuel tax under the RFT scheme. The Bill allows for no more than 1 RFT scheme in a force in an RFT region. It would therefore be unlikely that there would be more than one rate of regional fuel. This submission proposes that in some instances more than one scheme could operate simultaneously.

Recommended response: retain reference to the ability to vary the rate or rates of regional fuel tax.

*Section 65N* sets out the functions of the NZ Transport Agency very clearly.

Recommended response: retain section 65N as stated. Consider the inclusion of a similar section outlining the role of a regional council.

*Section 65U* sets out the timeframe for disbursement of proceeds. This requires the NZ Transport Agency to make payments to the appropriate regional council within ten days of the end of each month. This is important as it provides the administering regional council with certainty over funding availability.

Recommended response: retain section 65U as stated.



*Section 65V - Regional Fuel Tax Account (1) (c) (i)* states that a regional council of an RFT region must ensure that the payments from the regional fuel tax account are made in support of the programme of capital projects of the RFT scheme in force for the region. The guiding policies which are summarised in the explanatory note include the statement that the regional fuel tax may be used toward the funding of capital expenditure, associated debt repayment and operational expenditure when it is associated with the delivery of a package or programme of projects. Section 65V of the Bill is inconsistent with the policy and implies that the administering regional council may only distribute funds for capital projects.

Recommended response: replace 'capital' with 'transport' in Section 65V- Regional Fuel Tax Account (1) (c) (i).

The section would then read as follows:

#### **65V Regional fuel tax account**

(1) A regional council of an RFT region must—

(a) operate a regional fuel tax account; and

(b) deposit into or credit to that account all funds received by the council under **section 65U**; and

(c) ensure that all payments from that account are—

(i) made in support of the programme of transport ~~capital~~ projects of the RFT scheme in force for the region; and

(ii) accounted for in any manner required by the Agency.

Thank you for the opportunity to submit on the Land Transport Management (Regional Fuel Tax) Amendment Bill.

Yours faithfully

Councillor S Crosby  
**Chairman, Regional Transport Committee**



## **APPENDIX 2**

### **2018-03-01 Ministry of Transport Regional Fuel Tax Questions and Answers - March 2018**



## Regional Fuel Tax Q&As

### What is the purpose of a regional fuel tax?

- The purpose of a regional fuel tax is to provide additional funds to a region to pay for transport projects that would not otherwise be funded.

### What can the revenue of a regional fuel tax be used for?

- Revenue from a regional fuel tax can be used for a programme of transport projects proposed by a regional council and approved by joint Ministers (Finance and Transport) after public consultation. Auckland Council will soon begin consultation with the public on the transport projects that it proposes to fund with a regional fuel tax.

### Who will pay regional fuel tax?

- Regional fuel tax will be collected at the distribution level – when fuel is delivered to service stations or other bulk storage tanks, such as those on farms or construction projects. Liability for the tax will fall on fuel companies, not those who fill up a fuel station.

### What will happen to the price of fuel?

- Fuel price is influenced by many factors and different fuel prices can be found reflecting different cost and competitive factors. Therefore the impact of a regional fuel tax is likely to vary.

### Can a regional fuel tax be implemented in regions other than Auckland?

- The Land Transport Management (Regional Fuel Tax) Amendment Bill restricts a regional fuel tax to Auckland until at least 1 January 2021.

### Will there be a maximum rate for regional fuel tax?

- The Bill specifies a maximum rate for regional fuel tax of no more than 10c per litre.

### How long will regional fuel tax apply for?

- A regional fuel tax will have a maximum initial duration of ten years. If a regional council wants to extend beyond ten years, it will need to consult with the public and obtain Ministers' approval.

### Will regional fuel tax be subject to GST?

- Fuel retailers charge GST on the total price of fuel. If fuel retailers increase their prices, then GST will apply to the new price of the fuel.

### What does regional fuel tax apply to?

- Regional fuel tax will apply to petrol and diesel. Compressed natural gas (CNG) and liquefied petroleum gas (LPG) are excluded because the majority of these fuels are used off-road.

### **Will there be a rebate system for other off-road users of fuel?**

- Yes. The NZ Transport Agency is hard at work to implement a rebate system for fuel (both petrol and diesel) used in dedicated off-road vehicles or other commercial off-road use, such as fuel used on farms. Where a person can claim a refund for fuel excise duty, they should also be able to claim a rebate for regional fuel tax.

### **Who will be exempt from regional fuel tax?**

- Fuel that is used in a commercial ship, electricity generation, or in a vehicle that operates exclusively on railway tracks will not be subject to regional fuel tax.

### **Is there a risk that people will drive outside a region to purchase fuel to avoid the regional fuel tax?**

- This is unlikely to be a significant issue at the household level as only a small proportion of household travel is between regions and the distance to a fuel retailer outside the region is unlikely to provide enough of an incentive for most. The incentive may be greater for long-haul trucks that travel between regions regularly.

### **How will a regional fuel tax affect lower income households?**

- There is some evidence to suggest that a regional fuel tax will have a greater impact on lower income households. However, low income households should benefit from the new transport projects funded by a regional fuel tax, in particular, more public transport.

### **How equitable is a regional fuel tax?**

- A regional fuel tax is only a proxy for the use of a region's roads. Fuel consumption varies by vehicle fuel efficiency and fully electric vehicles use no petrol or diesel, so some people will inevitably pay more tax than others. Lower income households should benefit from the new transport projects funded by the regional fuel tax, in particular, more public transport.



Receives Only – No Decisions

**Report To:** Regional Transport Committee

**Meeting Date:** 24 April 2018

**Report From:** Fiona McTavish, General Manager, Strategy & Science

---

## **KiwiRail Becoming an Approved Public Organisation**

---

### **Executive Summary**

The Minister of Transport is seeking views on KiwiRail becoming an approved public organisation to enable it to receive funding from the National Land Transport Fund.

Council has prepared a draft submission supporting that status for KiwiRail.

### **Recommendations**

**That the Regional Transport Committee under its delegated authority:**

- 1 Receives the report, KiwiRail Becoming an Approved Public Organisation.**
- 2 Approves the appended submission that supports KiwiRail becoming an Approved Public Organisation.**

### **1 Introduction**

The Minister of Transport is seeking views on KiwiRail becoming an approved public organisation under the Land Transport Management Act 2003 (LTMA). Attaining that status will enable KiwiRail to receive funding from the National Land Transport Fund (appended).

Council has prepared a draft submission (prepared by R Pinn Consultants) for the consideration of the Regional Transport Committee (also appended). As the Minister required feedback by the end of 20 April 2018 (prior to the Committee meeting), the Council has submitted a draft submission to the Minister, noting that the Committee will consider and approve a final submission on 24 April.

### **2 The Submission**

As noted a draft submission is appended. In essence the submission outlines:

- the importance of rail to the region;
- support for an investment framework which enables optimisation of both road and rail networks in the region; and

- several strategic rail projects in the Bay of Plenty that are of relevance to the Government's stated intentions.

### **3 Council's Accountability Framework**

#### **3.1 Community Outcomes**

This item directly contributes to the Regional Collaboration and Leadership and Economic Development Community Outcomes in the Regional Council's Long Term Plan 2015-2025.

#### **3.2 Long Term Plan Alignment**

This work is planned under the Transport Planning Activity in the Long Term Plan 2015-2025. **Current Budget Implications**

There are no current financial implications for Council arising from the decision to lodge a submission.

##### **Future Budget Implications**

There are no future financial implications for Council arising from the decision to lodge a submission.

Garry Maloney  
**Transport Policy Manager**

**for General Manager, Strategy & Science**

**17 April 2018**



# **APPENDIX 1**

## **2018-04-05 Consultation on KiwiRail becoming an approved public organisation**





MP for Te Atatu

Minister of Housing and Urban Development

Minister of Transport

05 APR 2018

Tēnā koutou,

## Consultation on KiwiRail becoming an approved public organisation

I am writing to seek your views on KiwiRail becoming an approved public organisation under the Land Transport Management Act 2003 (LTMA).

As you may be aware, the recently released draft Government Policy Statement on land transport 2018 (GPS 2018), provides funding for rail, particularly where there are positive transport benefits.

Funding passenger rail through the NLTF will contribute to an effective, efficient, and safe land transport system. As an example, funding passenger rail will enable investments in projects that will:

- increase the number of new passenger and journeys made by rail, therefore addressing congestion
- improve existing commuter rail services in our major metropolitan areas, where passenger demand is outstripping capacity.

To enable KiwiRail to receive funding from the National Land Transport Fund and streamline the NLTF funding process, I am considering whether KiwiRail should become an approved public organisation under section 23 of the LTMA.

Section 23 of the LTMA allows the Governor-General to approve any public organisations, including State-owned enterprises, to be approved through an Order in Council on my recommendation. However, before making a recommendation, I must consult the persons or organisations considered by me to be representative of those classes of persons having an interest in the approval.

Therefore, I would welcome your views on making KiwiRail an approved public organisation under the section 23 of the LTMA. I would appreciate your feedback by Friday 20 April 2018, so that the Order in Council could be drafted before the final GPS 2018 is released. Please provide your feedback to [consultation@transport.govt.nz](mailto:consultation@transport.govt.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Phil Twyford', with a long horizontal line extending to the right.

Hon Phil Twyford  
**Minister of Transport**



## **APPENDIX 2**

### **Submission on Kiwirail becoming an approved public organisation**



Your Ref:  
Our Ref:



20 April 2018

Hon. Phil Twyford  
Minister of Transport  
Private Bag 18041  
Parliament Buildings  
Wellington 6160

Dear Minister

### **Consultation on Kiwirail becoming an approved public organisation**

Thank you for the opportunity to submit on the proposal for Kiwirail to become an approved public organisation under the Land Transport Management Act 2003 (LTMA). This draft submission is from the Bay of Plenty Regional Transport Committee (RTC), a regional governance body with representation from the Bay of Plenty Regional Council, the region's district and city councils and the New Zealand Transport Agency.

The RTC will meet on 24 April 2018 to approve its final submission.

The RTC supports Kiwirail becoming an approved public organisation.

The draft Bay of Plenty Regional Land Transport Plan (RLTP) takes an integrated approach across all modes and across local government boundaries in the upper North Island. The rail network is of critical importance to the region, particularly its role in moving freight and this was a key focus of the RTC when preparing the RLTP. There is considerable public good to continued investment in the region's rail network, and the RTC supports an investment framework which enables optimisation of both road and rail networks in the region.

The government has signalled it intends to explore how rail investment can be incorporated into the GPS and National Land Transport Fund (NLTF) as a means of introducing mode neutrality into transport planning and enabling rail projects to be eligible for funding. Several strategic rail projects have previously been raised in the Bay of Plenty that are relevance to the Government's stated intentions. These include:

- electrification and progressive double tracking of the East Coast Main Trunk (ECMT) line;
- re-commissioning the Rotorua branch link to link a major freight and tourism centre to the upper North Island rail network;
- developing rail sidings to support the proposed intermodal Kawerau Container terminal and development of the Rangiruru Business Park; and

- investigate the feasibility of extending the Bay of Plenty rail network through to Taupō.

These projects will provide greater capacity to manage the substantial increases in freight traffic that may result from larger vessels servicing the Port of Tauranga. Electrification of the Tauranga-Hamilton route could also be considered to allow better flow through the Kaimai tunnel. At a local level the construction of additional spur lines in the Tauranga region would assist logistics companies to access rail. Over time passenger rail within Tauranga and between Tauranga and Hamilton and Auckland may be considered.

The importance of rail to the region is demonstrated by the volume of rail freight to, from and within the Bay of Plenty at about 6.4 million tonnes in 2012 representing 40% of rail cargo volumes nationally<sup>1</sup>. The main link is the East Coast Main Trunk (ECMT) which connects Tauranga to the North Island Main Trunk at Hamilton via the Kaimai tunnel.

The key freight movements are container shipments from the Port of Tauranga to Hamilton and South Auckland's MetroPort. The route is also used for other types of freight including the movement of containerised dairy and meat products from Tauranga, export steel from Glenbrook and timber products from Kinleith. Rail is the preferred means of transport for Fonterra as it transports products from its production and storage facilities in Hamilton to the Port of Tauranga.

Rail provides an important component in providing a mode neutral approach to freight movement and potentially future passenger transport. The inclusion of Kiwirail as an approved public organisation will result in the most efficient investment to achieve the GPS outcomes and is therefore supported by the RTC.

Yours faithfully

Councillor S Crosby  
**Chairman, Regional Transport Committee**

---

<sup>1</sup> According to Toi Moana the Bay of Plenty's Growth Strategy